

KEY M&A STRATEGIES DURING UNCERTAIN TIMES

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CURRENT ECONOMIC & GEOPOLITICAL BACKDROP

Inflation in Ireland: Slowed to ~2%, but wage growth lags – widening inequality.

Wars Impacting Business:

- Ukraine/Russia: +2-2.5% EU inflation, GDP drag, stressed industries.
- Israel/Gaza & Others: Refugee costs, supply chain disruption.

US Tariffs & Chinese Trade Wars:

- US tariffs threaten €3.6B in Irish exports.
- China's rare earth limits strain EU manufacturing & tech.

Interest Rates & Oil:

- Rates down (2024-25), spurring cheaper borrowing.
- Oil prices volatile but trending lower.

IMPACT ON MARKETS & M&A

Stock Markets: Dropped on tariffs, but rebounded.

Cost of Debt:

- Lending cautious – large deals harder.
- Private credit now funds 56% of EU deals.

M&A Trends:

- Boom (2021-22), cool-down (2023).
- Shift to mid-market: smaller deals, lower multiples, less debt.

YOUR STRATEGIC OPTIONS

- Do Nothing – Wait and watch.
- Act via M&A – Leverage lower valuations.
- "Don't waste a good recession." – Warren Buffett
- **Investors Now Prefer Targets With:**
- Strong management & M&A experience.
- Solid financials, defensive markets.
- Growth potential, bolt-on acquisition options.
- Barriers (IP, exclusivity, market share).
- Fragmented markets ripe for consolidation.

KEY M&A STRATEGIES IN UNCERTAINTY

- Risk Management: Diversify revenue.
- Supply Chain Security: Acquire suppliers.
- Refinancing: Boost financial ratios.
- Geographical Hedging: Offset political risks.
- Tech Advancement: Buy innovation.
- Regulatory Compliance: Acquire expertise.
- ESG Goals: Acquire sustainable firms.

M&A OPPORTUNITY PLAYBOOK

- Align with your vision, mission, values.
- Secure leadership & team buy-in.
- Define your ideal target clearly.
- Be patient, M&A is a long game.
- Stay disciplined, avoid drifting from criteria.
- Use advisors who understand your strategy.

BEST PRACTICES FOR M&A EXECUTION

- Communicate: Clarify the deal's value.
- Be Fast: Seize good opportunities.
- Be Decisive & Brave: Bold action beats hesitation.
- Be Transparent: Share benefits & risks.
- Mitigate Risks: Champion deals internally.
- Lean on Experts: Avoid common M&A failures.

VICO ADVISORY SUPPORT

- Vico Advisory offers services across industries, helping businesses:
- Identify opportunities.
- Execute transactions successfully.
- Navigate uncertainty with tailored M&A strategies.

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